



# FOREIGN SECURITIES FOR MEXICAN MARKETS

VALORES EXTRANJEROS PARA INVERSIONISTAS MEXICANOS

“VEMEX”

Deutsche Bank AG  
New York Branch



# VEMEX

- What it is
- How it works
- Your role as a broker
- Benefits for Mexican Investors and Regulators
- How Deutsche Bank can help



# VEMEX

- **What it is**

The VEMEX is a mechanism for facilitating trading by Mexico-based investors in foreign securities. The VEMEX structure is integrated into the existing “SIC” market in Mexico, which is regulated by the Comisión Nacional de Bancaria y de Valores.



# VEMEX

- **What it is**

The VEMEX is an alternative to purchasing foreign securities in foreign markets and a confirmed way of purchasing, selling and owning a foreign security, with the benefits of listing on a Mexican securities exchange.



# VEMEX

- **How it works**

Deutsche Bank New York (as Custodian of VEMEX) through Deutsche Bank Mexico's broker dealer register and "announce" to the Mexican market one or more foreign securities to be available in VEMEX trading under the SIC.



# VEMEX

- **How it works**

Deutsche Bank New York holds in custody the foreign securities identified as VEMEX when transacted by a Mexican broker for a Mexican investor and listed on Mexican stock exchange under SIC



# VEMEX

- **How it works**

Deutsche Bank New York's custody account at DTCC is in favor of INDEVAL, which maintains the accounts of participants and, through them, the beneficial holders of VEMEX.



# VEMEX

- **How it works**

Deutsche Securities S.A. de C.V. Casa de Bolsa and Deutsche Bank New York coordinate all VEMEX filing, cancellation, debt service and corporate action activity, in conjunction with INDEVAL, where beneficial ownership of VEMEX is recorded.





# VEMEX

- **Your role as a broker**

The VEMEX offers you the opportunity to expand your services to Mexican clients into U.S. securities by providing to them ownership supported by Deutsche Bank New York custody service.



# VEMEX

- **Your role as a broker**

The VEMEX trade originates with your client's order to buy or sell in Mexican Pesos.



# VEMEX

- **Your role as a broker**

Each VEMEX purchase or sale that requires changes in at DTCC must be reported in advance to Deutsche Bank New York, which will initiate the chain of events leading to trade confirmation by Indeval



# VEMEX

- **Your role as a broker**

Any Mexican broker can satisfy client trades in the VEMEX, either by purchasing or selling existing VEMEX in the secondary market in Mexico or via an US broker having Deutsche Bank New York taking or releasing securities into custody, with Indeval's confirmation.



# VEMEX

- **Your role as a broker**

However, until VEMEXs become more liquid, most trades will require you to execute a trade in the U.S. with a movement at DTCC in the VEMEX custody account maintained by Deutsche Bank New York Branch



# VEMEX

- **Your role as a broker**

Once local liquidity is given, in the secondary market, VEMEX positions will trade in Mexico with changes of ownership only recorded at the participant accounts level in INDEVAL.



# VEMEX

- **Benefits for Mexican Investors and Regulators**

VEMEX represents for the Mexican Institutional Investors a first intermediary and controlled step to invest offshore via a security traded in Mexican currency in the Mexican market, in a trading process regulated and supervised by the Mexican authorities.



# VEMEX

- **Benefits for Mexican Investors and Regulators**

The VEMEX will enhance the reactivation of the trading activity in the Mexican stock exchange, and help to develop additional liquidity and deepness to the local capital market fomenting also other new local debt & equity issues





# VEMEX

- **Benefits for Mexican Investors and Regulators**

Regulators will be able to permanently track volumes of currency outflows towards foreign security markets and receive daily information on traded volumes (size & numbers), and market values by type of securities held by market participants



# VEMEX

- **How Deutsche Bank can help**

We worked closely with the Argentine authorities and securities regulators to promulgate the enabling legislation covering the CEDEAR (Certificado Deposito Argentinos) in 1998.

We understand the operating structure and the relevant markets, both in Mexico and in the markets of the VEMEX securities.



# VEMEX

- **How Deutsche Bank can help**

Deutsche Securities S.A. de C.V. Casa de Bolsa and Deutsche Bank New York work together to ensure timely payments, regulatory reporting and corporate actions for the benefit of the VEMEX investor.



# VEMEX

- **How Deutsche Bank can help**

We will be your primary contact for the VEMEX both in Mexico City and in New York

